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YEAR OF THE SPY TRIAL
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If the previous year is remembered as "the year of the spy," 1986 may be called the year of the spy trials — or the year when the extent of the treachery began to sink in.

The Walker spy ring, broken when the FBI nabbed John A. Walker after he made a drop for his Soviet spymaster, was detailed as one of the United States' most damaging intelligence breaches ever as Walker was sentenced to life in prison. His partner, former Navy radioman Jerry Whitworth, was convicted and similarly sentenced.

Espionage charges against a Soviet official at the United Nations touched off an East-West stalemate when the Soviets responded by jailing American journalist Nicholas Daniloff on what the United States said were trumped-up charges.

The United States took steps to stem the flow of secrets. Some 80 Soviet citizens in this country, regarded as spies by the United States, were expelled. President Reagan secretly began a sweeping overhaul of defenses against spies affecting everything from the doors of defense plants to satellites in space.

Galvanized by the record 13 spy arrests in 1985, the government is applying new standards for investigating employees for security clearances and looking for improved ways to encode communications and protect computer secrets.

A report by the Senate Intelligence Committee said the Soviets have used spying to whittle the U.S. lead in high technology, and cited the ability of the Soviets to plant bugs in embassy typewriters in Moscow as evidence the United States doesn't do enough to defend itself.

"For years, the Soviets were reading some of our most sensitive diplomatic correspondence, economic and political analyses and other communications," the report said.

X The No. 2 man at the CIA, Robert M. Gates, points to Soviet efforts to build nuclear defenses as an area in which the Soviet Union has focused its espionage attention in the United States.

"An important part of that effort involves increasing exploitation of open and clandestine access to Western technology," said Gates, deputy director of Central Intelligence. "For example, the Soviets have long been engaged in well-funded efforts to purchase U.S. high-technology computers, test and calibration equipment, and sensors, illegally through third parties." The biggest of the spy cases, involving the Walker family, wound through the courts in 1986, ending with Whitworth's conviction in federal court in San Francisco in July.

He sold the secrets to John Walker, who operated a spy ring for at least 18 years. Walker also involved his son and his brother in his crimes.

"His treason did grievous harm to this nation," said Navy Secretary John F. Lehman Jr., who contends it will take years and perhaps \$100 million to repair the damage.

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Government officials say the Walker ring provided the Soviets with the keys to unscrambling much of the Navy's encoded radio communications during the 1970s and early 1980s.

Fallout from the mysterious case of KGB agent Vitaly Yurchenko, who defected last year and later returned to Moscow, was seen in the trial of National Security Agency employee Ronald Pelton. He was convicted of selling to the Soviets sensitive NSA information about the interception and decoding of Soviet electronic signals.

The government said Yurchenko, who slipped away from his CIA escort at a restaurant in Georgetown, had been Pelton's contact and had tipped investigators after defecting.

The case prompted CIA director William J. Casey to threaten to seek criminal charges against news organizations for mentioning a high-technology underwater intelligence-gathering program code-named "Ivy Bells." No charges were brought, but Casey later issued a statement urging that press coverage of Pelton's trial not include "speculation and reporting details beyond the information actually released at trial." Another spy who was said to have damaged the United States, former CIA agent Edward Lee Howard, turned up in Moscow in August and was granted asylum. Intelligence sources have said Howard disclosed U.S. operations in Moscow and that it led to the execution of a CIA contact.

A Navy counterterrorism analyst, Jonathan Jay Pollard, and his wife pleaded guilty to espionage in June and face a possible life imprisonment. Pollard acknowledged selling American military documents to Israel.

The arrest in August of Gennadiy Zakharov on a New York subway platform touched off the Daniloff dispute and led the U.S. to expel 25 Soviets from the U.N. Among them were Soviet intelligence operatives said to have been fingered by Zakharov. Zakharov was a U.N. officer for the Soviet Union who allegedly tried to pay an FBI informant for classified documents on military jet engines.

Within a week of Zakharov's arrest, the Soviets arrested Daniloff, the Moscow correspondent for U.S. News & World Report magazine, on espionage charges. Although the president insisted there was no swap, Zakharov pleaded no contest and was returned to the Soviet Union, a day after Daniloff was released by the Soviets.

The negotiations that led to their release also brought agreement between Reagan and Soviet leader Mikhail Gorbachev to meet in Iceland.